

LOAN AGREEMENT

Dated as of _____, 2015

among

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY,

BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA

and

BANK OF AMERICA, N.A.

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LOAN AGREEMENT

This LOAN AGREEMENT, dated as of _____, 2015 (this “Agreement”), among FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia having its principal office at 3700 Pender Drive, Fairfax, Virginia (“FCRHA”), the BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia having its principal office at 12000 Government Center Parkway, Fairfax, Virginia (the “County”), and Bank of America, N.A., a national banking association organized under the laws of the United States of America (the “Bank”).

WITNESSETH:

WHEREAS, FCRHA is a political subdivision of the Commonwealth of Virginia;

WHEREAS, the County wishes FCRHA to borrow from the Bank certain sums hereunder, and the Bank is willing, upon the terms and conditions set forth below, to lend such sums to FCRHA for the purpose of repaying the outstanding FCRHA Bond Anticipation Notes (Affordable Housing Acquisition), Series 2013A (Taxable) (the “Refinancing”) which were issued to refinance previously issued bond anticipation notes originally issued to provide a portion of the purchase price of, and to enable the County to acquire title to the 180-unit Crescent Apartments multi-family rental housing complex, including the approximately 16.5 acre site thereof, located at 1527 Cameron Crescent Drive in Reston, Virginia (the “Property”); and

WHEREAS, in order for FCRHA to obtain the funds to finance the costs of the Refinancing, FCRHA has determined to enter into this Agreement, whereby the Bank will advance funds to FCRHA to pay the costs of the Refinancing in one advance, and FCRHA will repay such advance with interest in installments pursuant to the terms of this Agreement;

WHEREAS, to induce the Bank to enter into this Agreement and make the loan hereunder, the County has agreed to request FCRHA to execute and deliver to the Bank, prior to any advance of funds, the Note (as hereinafter defined) and the other documents with respect to the loan specified in this Agreement;

WHEREAS, the obligation of FCRHA to make Installment Payments (as hereinafter defined) and all other payments required hereunder shall constitute a limited obligation payable from contributions received from the County pursuant to a payment agreement entered into between the County and FCRHA and shall not constitute a pledge of the faith and credit of FCRHA within the meaning of any constitutional debt limitation or as otherwise prohibited by the Virginia Constitution;

WHEREAS, the FCRHA, the County and the Bank have each duly authorized the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1 **Definitions and Rules of Construction.** Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The words “hereby,” “herein,” “hereof,” “hereto,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement unless some other reference is indicated.

“Advance” means the advance being made by the Bank to FCRHA pursuant to Section 3.2 of this Agreement.

“Agreement” means this Loan Agreement, including any amendment or supplement hereto permitted herein.

“Bank” means Bank of America, N.A., a national banking association as established under the laws of the United States of America, and its successors and assigns.

“Closing Costs” means and further includes all items of expense directly or indirectly payable by or reimbursable to FCRHA relating to Refinancing of the Projects, including, but not limited to, filing and recording costs, settlement costs, printing costs, word processing costs, reproduction and binding costs, legal fees and charges and financing and other professional consultant fees.

“Closing Date” means February __, 2015.

“Commonwealth” means the Commonwealth of Virginia.

“County” has the meaning set forth in the recitals hereof.

“County Payments” means the contributions made or to be made by the County, subject to appropriation, to or for the account of FCRHA, in respect of the Installment Payments and all other amounts due and owing under this Agreement, pursuant to the terms of the Payment Agreement.

“County Representative” means each of the persons at the time designated to act on behalf of the County in a written certificate furnished to the Bank, which certificate shall contain the specimen signature(s) of such person(s) and shall be signed on behalf of the County by an authorized officer of the County.

“Default” means any event, condition or occurrence which with notice or the lapse of time, or both, would constitute an Event of Default hereunder.

“Default Rate” means the Interest Rate plus 4%.

“Enabling Act” means the Housing Authorities Law, Chapter 1, Title 26 of the Code of Virginia, as amended.

“Enforcement Limitation” means any laws that provide that no deficiency judgment may be rendered against FCRHA or the County in any action for breach of a contractual obligation and that the taxing power of the County is not and may not be pledged directly or indirectly to secure any moneys due under this Agreement.

“Event of Default” means any of the events specified in Section 7.1 of this Agreement, provided, however, that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

“Event of Nonappropriation” means (a) the failure by the County’s governing body to budget and appropriate in its budget for the ensuing Fiscal Year adopted on or about June 30 of each year an amount sufficient to pay all County Payments and any reasonably estimated additional payments under the Payment Agreement coming due in the next ensuing Fiscal Year or (b) the deletion from County’s duly adopted budget of any appropriation for the purposes specified in clause (a). In the event that during any Fiscal Year, any additional payments shall become due that were not included in the County’s current budget, and if there are no moneys available to pay such additional payments prior to the date upon which such additional payments are due, an Event of Nonappropriation shall be deemed to have occurred upon written notice by the Bank to the County to such effect.

“Fiscal Year” means the period beginning on July 1 of any year and ending on June 30 of the following year.

“FCRHA” has the meaning set forth in the recitals hereof.

“FCRHA Representative” means each of the persons at the time designated to act on behalf of FCRHA in a written certificate furnished to the Bank, which certificate shall contain the specimen signature(s) of such person(s) and shall be signed on behalf of FCRHA by an authorized officer of FCRHA.

“Governmental Authority” means any nation, government, or state, or any political subdivision thereof, or any court, entity or agency exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Installment Payment Date” means each of the dates set forth on the Payment Schedule attached hereto as Exhibit A.

“Installment Payments” means the payments required to be paid by FCRHA pursuant to Section 4.1 in order to repay the Advance, as specified in Exhibit A.

“Material Adverse Effect” means any material and adverse effect on the ability of FCRHA or the County to perform its obligations under this Agreement or the Payment Agreement.

“Note” means a promissory note evidencing a loan advance made by the Bank to FCRHA for the benefit of the County, substantially in the form of Exhibit B attached hereto.

“Payment Agreement” means the agreement between FCRHA and the County, dated as of February __, 2015, pursuant to which, among other items, the County has agreed, subject to appropriation, to contribute the County Payments.

“Person” means any individual, partnership, firm, corporation, limited liability company, association, joint venture, trust or other entity, or any government or political subdivision or agency, department or instrumentality thereof.

“Property” means the 180-unit Crescent Apartments multi-family rental housing complex, including the approximately 16.5 acre site thereof, located at 1527 Cameron Crescent Drive in Reston, Virginia.

“Refinancing” means the refinancing of the outstanding FCRHA Bond Anticipation Notes (Affordable Housing Acquisition), Series 2013A (Taxable) maturing on March 1, 2015.

“Requirement of Law” means, as to any Person, any law, rule, treaty, regulation or determination of an arbitrator or court, or other Governmental Authority, in each case applicable to or binding upon such Person, any operation or conduct by or on behalf of such Person or the Property or assets or to which any such Person or the Property or assets may be bound or affected.

SECTION 1.2 **Exhibits.** The following exhibits are attached to, and by reference made a part of, this Agreement:

Exhibit A: Payment Schedule

Exhibit B: Form of Note

ARTICLE II

REPRESENTATIONS OF FCRHA AND BANK

SECTION 2.1 **Representations, Covenants and Warranties of FCRHA.**

FCRHA represents, covenants and warrants to the Bank as follows: FCRHA is a political subdivision of the Commonwealth organized and existing under and by virtue of the Constitution and laws of the Commonwealth.

(b) The Constitution and laws of the Commonwealth provide power and authority for FCRHA to execute and deliver this Agreement and to enter into the transactions contemplated by and to carry out its obligations under this Agreement.

(c) FCRHA has duly authorized, executed, and delivered this Agreement.

(d) Neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any charter provision, restriction, agreement or instrument to which FCRHA is now a party or by which FCRHA is bound, or constitutes a default under any of the foregoing.

(e) No approval or consent is required from any governmental authority with respect to the entering into or performance by FCRHA of this Agreement, and all other documents related thereto and the transactions contemplated hereby and thereby, or if such approval is required, it has been duly obtained.

(f) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to its knowledge, threatened against or affecting FCRHA challenging the validity or enforceability of this Agreement, or any other documents relating hereto and the performance of FCRHA's obligations hereunder and thereunder.

(g) FCRHA is not an "investment company", or a Person "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(h) The execution and delivery by FCRHA of this Agreement and the Payment Agreement are not subject to any tax, duty, fee or other charge, including, without limitation, any registration or transfer tax, stamp duty or similar levy, imposed by any Governmental Authority that has not been paid.

(i) None of this Agreement, the Payment Agreement or any other document, certificate or statement furnished to the Bank by or on behalf of FCRHA contains any untrue statements of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.

(j) There are no facts that FCRHA has failed to disclose to the Bank that, individually or in the aggregate, could have a Material Adverse Effect or, as far as FCRHA can reasonably foresee, could have a Material Adverse Effect.

(k) FCRHA is not engaged in, nor does it have as one of its substantial activities, the business of extending or obtaining credit for the purpose of purchasing or carrying "margin stock" (as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System) and no proceeds of the Advance will be used for such purpose or for the purpose of purchasing or carrying any shares of margin stock.

(l) FCRHA shall comply with all Requirements of Law or any change therein or in the application, the administration or interpretation thereof (including, without limitation, any request, directive, guideline or policy, whether or not having the force of law) by any Governmental Authority charged with the administration or interpretation thereof and all indentures, mortgages, deeds of trust, agreements or other instruments or contractual obligations to which it is a party or by which it or any of the Property may be bound or affected, except such Requirements of Law or indentures, mortgages, deeds of trust, agreements or other instruments or contractual obligations noncompliance with which could not reasonably be expected to have a Material Adverse Effect.

(m) FCRHA shall promptly notify the Bank in writing of (i) the occurrence of any Default or Event of Default hereunder, or (ii) any default, or event, condition or occurrence which with notice or the lapse of time, or both, would constitute a default by any party thereto under the Payment Agreement, any indenture, mortgage, deed of trust, agreement or other instrument or contractual obligation to which FCRHA is a party or by which the Property may be bound or affected and which could reasonably be expected to have a Material Adverse Effect.

(n) FCRHA shall perform and comply in all material respects, and subject to the applicable grace periods, with each of the covenants binding on it, as in effect on the Closing Date.

SECTION 2.2 **Representations, Covenants and Warranties of the County.**

The County represents, covenants and warrants to the Bank as follows:

(a) The County is a political subdivision of the Commonwealth organized and existing under and by virtue of the Constitution and laws of the Commonwealth.

(b) The Constitution and laws of the Commonwealth provide power and authority for the County to execute and deliver this Agreement and to enter into the transactions contemplated by and to carry out its obligations under this Agreement.

(c) The County has duly authorized, executed, and delivered this Agreement.

(d) Neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any charter provision, restriction, agreement or instrument to which the County is now a party or by which the County is bound, or constitutes a default under any of the foregoing.

(e) No approval or consent is required from any governmental authority with respect to the entering into or performance by the County of this Agreement, and all other documents related thereto and the transactions contemplated hereby and thereby, or if such approval is required, it has been duly obtained.

(f) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to its knowledge, threatened against or affecting the County challenging the validity or enforceability of this Agreement, or any other documents relating hereto and the performance of the County's obligations hereunder and thereunder.

(g) The County is not an "investment company", or a Person "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(h) The execution and delivery by the County of this Agreement and the Payment Agreement are not subject to any tax, duty, fee or other charge, including, without limitation, any registration or transfer tax, stamp duty or similar levy, imposed by any Governmental Authority that has not been paid.

(i) The most recent financial statements of the County delivered to the Bank hereunder are complete and accurate and fairly present the financial condition and the results of operations and cash flows of the County on the dates thereof and for the periods then ended and such financial statements show all known liabilities, direct or contingent, of the County as of the dates thereof and were prepared in accordance with GAAP. Since June 30, 2014, except as disclosed in writing to the Bank, there has been no change in the financial conditions or operations of the County that has resulted in a Material Adverse Effect.

(j) None of this Agreement, the Payment Agreement or any other document, certificate or statement furnished to the Bank by or on behalf of the County contains any untrue statements of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.

(k) There are no facts that the County has failed to disclose to the Bank that, individually or in the aggregate, could have a Material Adverse Effect or, as far as the County can reasonably foresee, could have a Material Adverse Effect.

(l) The County is not engaged in, nor does it have as one of its substantial activities, the business of extending or obtaining credit for the purpose of purchasing or carrying "margin stock" (as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System) and no proceeds of the Advance will be used for such purpose or for the purpose of purchasing or carrying any shares of margin stock.

(m) The County shall comply with all Requirements of Law or any change therein or in the application, the administration or interpretation thereof (including, without limitation, any request, directive, guideline or policy, whether or not having the force of law) by any Governmental Authority charged with the administration or interpretation thereof and all indentures, mortgages, deeds of trust, agreements or other instruments or contractual obligations to which it is a party or by which it or any of the Property may be bound or affected, except such Requirements of Law or indentures, mortgages, deeds of trust, agreements or other instruments or contractual obligations noncompliance with which could not reasonably be expected to have a Material Adverse Effect.

(n) The County shall keep proper books of record and account, containing complete and accurate entries of all financial and business transactions relating to the business, operations, the Property, assets, condition (financial or otherwise) or prospects of the County in conformity with all Requirements of Law. At any reasonable time and from time to time during reasonable business hours, the County shall permit the Bank or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account (other than those books and records that must be treated as confidential under any Requirement of Law) of, and visit the Property and to discuss the affairs, finances and accounts of the County with any of its officers, provided that such visit and discussions shall not materially interfere with such officers' conduct of their respective duties.

(o) The County shall promptly notify the Bank in writing of (i) the occurrence of any Default or Event of Default hereunder, or (ii) any default, or event, condition or occurrence which with notice or the lapse of time, or both, would constitute a default by any party thereto under the Payment Agreement, any indenture, mortgage, deed of trust, agreement or other instrument or contractual obligation to which the County is a party or by which the Property may be bound or affected and which could reasonably be expected to have a Material Adverse Effect.

(p) The County for the account of FCRHA, shall timely pay the fees and expenses of the Bank due under this Agreement, as well as pay and discharge at or before such other obligations are due, all material obligations and liabilities, including, without limitation, tax liabilities, except where the same may be subject to a good faith contest.

(q) The County shall maintain insurance with responsible insurance companies, or may self-insure, against such risks and in such amounts as is customarily maintained by similar organizations. Any self-insurance maintained by the County pursuant to this subsection (q) shall comply with the following terms: the self insurance program shall be evaluated in writing by the County's Department of Risk Management to determine the criteria which the County shall apply to establish an actuarially sound claims reserve fund out of which self-insured claims shall be paid; the adequacy of such fund shall be evaluated on an annual basis by the Department of Risk Management and any deficiencies in any self-insured claims reserve fund shall be remedied in accordance with their recommendation.

(r) The County shall perform and comply in all material respects, and subject to the applicable grace periods, with each of the covenants binding on it, as in effect on the Closing Date.

(s) The proceeds of the Advance will be used, by the County solely to finance the costs of the Refinancing. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System. The County shall use, or cause to be used, the proceeds of the Advance in compliance with all applicable legal and regulatory requirements of any Governmental Authority (including, without limitation, Regulations U and X of the Board of Governors of the Federal Reserve

System and the Securities Exchange Act of 1934 and the Securities Act of 1933 and any regulations thereunder).

(t) The County shall promptly notify the Bank of (i) the existence and status of any litigation that the County Attorney determines is not reasonably certain to have a favorable outcome and which individually or in the aggregate could have a Material Adverse Effect or (ii) any change in any material fact or circumstance represented or warranted in this Agreement.

SECTION 2.3 **Representations, Covenants and Warranties of the Bank.**

The Bank represents, covenants and warrants to FCRHA and the County as follows:

(a) The Bank is a national banking association organized, existing and in good standing under and by virtue of the laws of the United States of America and has the power and authority to enter into this Agreement.

(b) Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of the organizational documents of the Bank or any restriction or any agreement or instrument to which the Bank is now a party or by which the Bank is bound.

ARTICLE III

ADVANCE

SECTION 3.1 **Conditions Precedent to Advance.**

(a) The Bank shall have received on or before the Closing Date the following, each in form and substance satisfactory to the Bank, unless indicated otherwise, dated the Closing Date

(i) the Note;

(ii) an executed copy of the Payment Agreement;

(iii) a certificate of the County Executive certifying as to the incumbency and signature of each of the County Representatives authorized to sign this Agreement and the Payment Agreement;

(iv) a certificate of the Chair, Vice Chair or Secretary of FCRHA as to the incumbency and signature of each of the FCRHA Representatives authorized to sign this Agreement and the Payment Agreement;

(v) certified copies of any resolutions, approvals or authorizations required in connection with the transactions contemplated by this Agreement and the Payment Agreement;

(vi) a favorable opinion of Sidley Austin LLP, Washington, D.C., Bond Counsel as to the validity of this Agreement, the Payment Agreement and the Note;

(vii) a favorable opinion of the County Attorney, as to such matters as mutually agreed to by the parties to this Agreement; and

(viii) a favorable opinion of a member of the County Attorney's office acting as general counsel to FCRHA, as to such matters as mutually agreed to by the parties to this Agreement.

(b) The following statements shall be true and correct on and as of the Closing Date, and the Bank shall have received certificates signed by a FCRHA Representative and a County Representative, dated the Closing Date, stating that:

(i) the representations and warranties of FCRHA and the County contained in Sections 2.1 and 2.2, respectively, of this Agreement are true and correct in all material respects on and as of the Closing Date as though made on and as of such date; and

(ii) no Default shall have occurred and be continuing or would result from the making of the Advance.

(c) The Bank shall have received the payment of fees and disbursements of Bank counsel incurred in connection with the preparation of this Agreement, including any amendments and reaffirmations, and all other out-of-pocket expenses of the Bank.

(d) Since June 30, 2014, no material adverse change in the financial condition, business, assets, liabilities or prospects of the County shall have occurred.

SECTION 3.2 **Advance.** (a) In consideration of the covenants, warranties and representations contained herein, and in consideration of FCRHA's agreement to repay the money advanced hereunder and interest thereon (subject to Section 4.2 hereof), the Bank shall advance \$[18,665,000] on the date hereof to the County to pay the costs of the Refinancing (the "Advance").

(b) The Advance made shall be evidenced by the Note, payable to the Bank, in substantially the form attached hereto as Exhibit B. The principal amount outstanding of the Note at any time shall equal the amount of the then outstanding and unpaid Advance and the payments on such Note shall be in the form of the Installment Payments.

SECTION 3.3 **Payment of Closing Costs.** FCRHA shall be obligated to pay all Closing Costs of the Bank when the same become due and payable solely from the proceeds of the Advance or other funds of the County made available to FCRHA for such purpose.

SECTION 3.4

Reserves; Capital Adequacy

(a) Subject to Section 4.2 hereof, FCRHA, or the County for the account of FCRHA, will pay the Bank, on demand, for the Bank's costs or losses arising from any Change in Law which are allocated to this Agreement or any credit outstanding under this Agreement. The allocation will be made as determined by the Bank, using any reasonable method. The costs include, without limitation, the following:

(i) any reserve or deposit requirements (excluding any reserve requirement already reflected in the calculation of the interest in this Agreement); and

(ii) any capital requirements relating to the Bank's assets and commitments for credit.

"Change in Law" means the occurrence, after the date of this Agreement, of the adoption or taking effect of any new or changed law, rule, regulation or treaty, or the issuance of any request, rule, guidelines or directive (whether or not having the force of law) by any Governmental Authority; provided that (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives issued in connection with that Act, and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

(b) A certificate setting forth in reasonable detail the computation of increased cost incurred by the Bank as set forth in Section 3.4(a) above, submitted by the Bank to FCRHA and the County, shall be conclusive, absent manifest error, as to the amount thereof. The protection of this subsection shall be available to the Bank regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed. The parties hereto acknowledge and agree that the protections of this provision shall be applicable to the extent that the increase in costs to the Bank of maintaining its commitments hereunder is the result of an increase in reserve requirements applicable to lenders, banks and/or financial institutions in general, and not applicable to the Bank only. In no event or under any circumstance shall any other sums payable hereunder be reduced as a result of a reduction after the Closing Date in the costs incurred by the Bank in maintaining its commitments hereunder (including, without limitation, any reduction in applicable reserve requirements); provided, however, any such reduction shall reduce additional amounts payable by FCRHA, or the County for the account of FCRHA, pursuant to this subsection.

SECTION 3.5

Disclaimer of Bank.

The County acknowledges and agrees that the Bank (a) has not made any recommendation, given any advice or taken any other action with respect to the Property or the Refinancing and has not at any time had physical possession of the Property or any component part thereof or made any inspection thereof or any property or rights relating thereto, and (b) has not made any warranty or other representation, express or implied, that the Property or the Refinancing or any component part thereof or any property or rights relating thereto (i) will not result in or cause injury or damage to persons or property, (ii)

has been or will be properly used, or will accomplish the results which the County intends therefor, or (iii) is safe in any manner or respect.

ARTICLE IV

REPAYMENT OF THE ADVANCE

SECTION 4.1 **Repayment of the Advance.** Subject to the provisions of Section 4.2, FCRHA shall repay the Advance, with interest, computed at the rate of ____% per annum (the “Interest Rate”), calculated on a 30/360 basis, in installments due at the times and in the amounts set forth in Exhibit A. FCRHA shall repay the Advance in installments due in the times and amounts set forth in Exhibit A.

All payments required to be made to the Bank hereunder shall be made at the Bank’s principal office at the address set forth in Section 9.1 or as may otherwise be directed by the Bank.

SECTION 4.2 **Budget and Appropriation.** NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, THE OBLIGATION OF FCRHA TO MAKE INSTALLMENT PAYMENTS AND ANY OTHER PAYMENTS REQUIRED UNDER ARTICLE IV HEREOF OR ANY OTHER PROVISION CONTAINED HEREIN SHALL CONSTITUTE A LIMITED OBLIGATION PAYABLE SOLELY FROM CONTRIBUTIONS RECEIVED FROM THE COUNTY PURSUANT TO A PAYMENT AGREEMENT ENTERED INTO BETWEEN THE COUNTY AND FCRHA AND SHALL NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF FCRHA WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION OR AS OTHERWISE PROHIBITED BY THE VIRGINIA CONSTITUTION. FCRHA SHALL MAKE THE INSTALLMENT PAYMENTS AND ALL OTHER PAYMENTS REQUIRED UNDER THIS AGREEMENT SOLELY FROM AMOUNTS RECEIVED FROM COUNTY PAYMENTS MADE BY THE COUNTY PURSUANT TO THE PROVISIONS OF THE PAYMENT AGREEMENT.

The obligation of the County to pay amounts equal to the County Payments under the Payment Agreement is contingent upon the appropriation for the applicable fiscal year by the Board of Supervisors of the County of funds from which such County Payments can be made. The County shall not be liable for any County Payments which may be payable pursuant to the Payment Agreement unless and until such funds have been appropriated for payment and then only to the extent thereof. The Payment Agreement shall not constitute a pledge of the full faith and credit of the County or a bond or debt of the County in violation of Section 10 of Article VII of the Constitution of the Commonwealth of Virginia.

The County covenants for the benefit of FCRHA and the Bank, with respect to any County fiscal year in which Installment Payments and other amounts payable under this Agreement are to be made pursuant to this Agreement, that it will cause the County Executive to include in the annual budget of revenues and disbursements presented to the County’s Board of

Supervisors an amount not less than an amount sufficient, in the judgment of the County Executive, for the County to contribute to FCRHA amounts sufficient to pay timely the Installment Payments and all other amounts due and owing pursuant to this Agreement in order that the Board of Supervisors of the County can determine whether to appropriate sufficient funds to make such payments pursuant to this Agreement for the then coming fiscal year.

The County represents and warrants that it has never failed to appropriate sufficient funds to make payments to FCRHA in amounts equal to the debt service on FCRHA obligations issued for the benefit of the County.

FCRHA or the County on behalf of FCRHA shall promptly provide notice of any Event of Nonappropriation to the Bank. This Agreement shall not directly or indirectly or contingently obligate FCRHA to make payments beyond the amount they receive in County Payments received pursuant to the terms of the Payment Agreement.

Neither the commissioners of FCRHA nor any person executing the Note shall be liable personally on the Note by reason of the issuance thereof. The Installment Payments and any other amounts due and owing under this Agreement or the Note shall not be a debt of the County, the Commonwealth or any political subdivision thereof (other than FCRHA) and neither the County, nor the Commonwealth or any political subdivision thereof (other than FCRHA) shall be liable thereon, nor in any event shall the Installment Payments or any other amounts due and owing under this Agreement or the Note be payable out of any funds or properties other than those of FCRHA. The Installment Payments and any other amounts due and owing under this Agreement or the Note shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

THIS AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE FCRHA OR THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE MADE FROM THE COUNTY PAYMENTS APPROPRIATED BY THE COUNTY FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT IS IN EFFECT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST FCRHA OR THE COUNTY IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THIS AGREEMENT IN VIOLATION OF APPLICABLE LAW.

No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of the FCRHA's or the County's moneys, nor shall any provision of this Agreement restrict the future issuance of any of the FCRHA's or the County's bonds or moneys. To the extent of any conflict between this Section and any other provision of this Agreement, this Section shall take priority.

SECTION 4.3 **No Set-Off; Recoupment, Etc.** Subject to Section 4.2 and the Enforcement Limitation, the obligation of FCRHA to make the Installment Payments and all other amounts due and owing hereunder and to perform and observe the other covenants of this Agreement shall be absolute and unconditional, and FCRHA will pay without abatement, diminution or deduction all such amounts regardless of any cause or circumstance whatsoever,

including, without limitation, any defense, set-off, recoupment or counterclaim that FCRHA may have against the Bank.

ARTICLE V

COVENANTS OF THE COUNTY

SECTION 5.1 **Permitted Use.** The County shall use, or cause to be used, the Property for public purposes permitted by the Enabling Act. The County shall not use, or suffer any one else to use, the Property for other than public purposes permitted by the Enabling Act or other applicable Commonwealth law. There shall be no occupation or use of the Property by the County or any one else for any purpose other than as authorized by this Section, without the written consent of FCRHA and counsel to FCRHA.

SECTION 5.2 **No Illegal Use.** The County shall not use or occupy, nor permit or suffer the Property or any part thereof to be used or occupied for any unlawful or illegal business, use or purpose.

SECTION 5.3 **Property Management.** Nothing in this Contract shall constrain the County and its transferees and their lessees and sublessees and licensees from contracting for management, cleaning, maintenance, food, professional instruction or other services for the Property, or portions of them, and enter into an agreement or agreements therefor.

SECTION 5.4 **Taxes.**

The execution and delivery of this Agreement and the Payment Agreement are not subject to any tax, duty, fee or other charge, including, without limitation, any registration or transfer tax, stamp duty or similar levy, imposed by any Governmental Authority that has not been paid.

SECTION 5.5 **Modification of the Property.** The County shall, in its sole discretion and at its own expense, have the right to make additions, modifications and improvements to the Property if such additions, modifications or improvements are necessary or beneficial for the use of the Property. Such additions, modifications and improvements shall not in any way damage the Property or cause the Property to be used for purposes other than those authorized under the provisions of law, and the Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not less than the value of the Property immediately prior to the making of such additions, modifications and improvements.

SECTION 5.6 **Tax Representations.** The interest components of the Installment Payments will be includable in the gross income of the owners thereof for federal income taxation purposes.

SECTION 5.7 **Financial Statements.** The County agrees that it will furnish its Comprehensive Annual Financial Report to The Electronic Municipal Market Access system

administered by the Municipal Securities Rulemaking Board, when the same becomes available, but no later than March 31 after the end of each Fiscal Year.

ARTICLE VI

ASSIGNMENT

SECTION 6.1 **Assignment by the Bank.** The Bank may assign all or any part of its interest in this Agreement, including, without limitation, the Bank's rights to receive the Installment Payments and any additional payments due and to become due hereunder, with the prior written consent of FCRHA and the County.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1 **Events of Default Defined.** The following shall be "Events of Default" under this Agreement and the terms "Events of Default" and "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Subject to Section 4.2 hereof, the failure by FCRHA to pay any Installment Payment required to be paid hereunder when due.

(b) Failure by FCRHA or the County to observe or perform any other term, condition, covenant or agreement set forth in this Agreement or the Payment Agreement to be observed or performed by FCRHA or the County (and not constituting an Event of Default under any of the preceding or following provisions of this Section VII) and such failure continues for a period of thirty (30) or more days after (i) written notice thereof to FCRHA and the County from the Bank or (ii) the Bank is notified of such failure, or should have been notified of such failure by FCRHA or the County, pursuant to the terms of this Agreement or any Payment Agreement. Any failure by FCRHA or the County under this Section 7.1(b) that is not reasonably capable of being cured within such thirty (30) day period but is capable of being cured within sixty (60) days and the County commences action to cure such failure within such thirty (30) day period and diligently and continuously prosecutes such action to completion and causes such failure to be cured within sixty (60) days after the date of the written notice specified above shall not constitute an Event of Default or Default; or

(c) FCRHA or the County becomes insolvent or the subject of insolvency proceedings; or is unable, or admits in writing its inability, to pay its debts as they mature; or makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or files a petition or other pleading seeking reorganization, composition, readjustment or liquidation of assets, or requesting similar relief; or applies to a court for the appointment of a receiver for it or for the whole or any part of its property; or has a receiver or liquidator appointed for it or for the whole or any part of its property (with or without the consent of FCRHA or the County) and such receiver is not discharged within ninety (90) consecutive days after his appointment; or becomes the subject of an "order for relief"

within the meaning of the United States Bankruptcy Code; or files an answer to a creditor's petition admitting the material allegations thereof for liquidation, reorganization, readjustment or composition or to effect a plan or other arrangement with creditors or fails to have such petition dismissed within sixty (60) consecutive days after the same is filed against FCRHA or the County.

(d) Any warranty, representation or statement made by FCRHA or the County herein or any other document executed and delivered by FCRHA or the County in connection herewith is found to be incorrect or misleading in any material respect as of the date made.

(e) Any provision of this Agreement shall for any reason cease to be valid and binding on FCRHA or the County or be in full force and effect for FCRHA or the County.

(f) A final judgment for an amount not otherwise covered by insurance, in excess of \$100,000,000 (which the Bank determines to not be covered by insurance or as to which the insurer has given notice of a denial of coverage) is rendered against FCRHA or the County and, within ninety (90) days after entry thereof, such judgment has not been discharged or execution thereof stayed pending appeal or if, within ninety (90) days after the expiration of any such stay, such judgment has not been discharged.

SECTION 7.2 Remedies on Default. Upon the occurrence of any event of default under Section 7.1, the Bank may, without any further demand or notice, exercise any one or more of the following remedies:

(a) the entire amount of the principal component of the Installment Payments and the accrued and unpaid interest component may be declared due and payable in the manner and with the effect provided in this Agreement; and

(b) proceed by appropriate court action to enforce performance by FCRHA or the County of the applicable covenants of this Agreement or to recover for the breach thereof.

(c) Upon the occurrence of any Event of Default the outstanding principal component of the Advance shall accrue interest at the Default Rate.

NOTWITHSTANDING ANY OTHER PROVISIONS HEREIN, IT IS THE INTENT OF THE PARTIES HERETO TO COMPLY WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA, AS AMENDED. NO DEFICIENCY JUDGMENT MAY BE ENTERED AGAINST FCRHA OR THE COUNTY IN FAVOR OF THE BANK OR ANY OTHER PERSON IN VIOLATION OF SAID LAWS.

SECTION 7.3 Non-Appropriation. ANYTHING TO THE CONTRARY NOTWITHSTANDING ELSEWHERE IN THIS CONTRACT, THE FAILURE OF FCRHA TO PAY ALL OR ANY PORTION OF ANY AMOUNT OTHERWISE DUE AND PAYABLE UNDER THIS AGREEMENT OR THE COUNTY TO PAY UNDER THE PAYMENT AGREEMENT TO OR FOR THE ACCOUNT OF FCRHA ON ACCOUNT OF THE FAILURE OF THE BOARD OF SUPERVISORS OF THE

COUNTY TO APPROPRIATE SUCH SUM SHALL NOT CONSTITUTE A DEFAULT OR AN EVENT OF DEFAULT UNDER THIS AGREEMENT.

SECTION 7.4 **No Remedy Exclusive.** No remedy conferred herein upon or reserved to the Bank is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. To the extent permitted by law, any delay or omission to exercise any right or power accruing upon any default shall not impair any such right or power nor shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required in this Article or by law.

SECTION 7.5 **Agreement to Pay Attorneys' Fees and Expenses.** In the event FCRHA or the County should default under any of the provisions hereof and the Bank should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of FCRHA or the County contained herein, the County agrees that it will pay on demand to the Bank, subject to the limitations and provisions of the laws of the Commonwealth of Virginia, as amended, the reasonable fees of such attorneys and such other expenses so incurred by the Bank. For purposes of this Section, the reasonable fees of attorneys shall mean attorneys' fees actually incurred at such attorneys' standard hourly rate for such services and shall not be based on any percentage of the outstanding amount due; provided, however that such attorneys' fees shall not exceed the maximum amount permitted by law.

SECTION 7.6 **No Additional Waiver Implied by One Waiver.** In the event any provision contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder except as may be provided by law.

ARTICLE VIII

PREPAYMENT OF INSTALLMENT PAYMENTS

SECTION 8.1 **Prepayment of Installment Payments.**

(a) Prior to February __, 2016 the Advance may be prepaid in whole, or in part, on any date, with ten (10) days' prior written notice to the Bank by payment of an amount equal to the principal amount to be prepaid plus accrued interest thereon to the date of prepayment plus the Prepayment Fee.

The Prepayment Fee will be the sum of fees calculated separately for each Prepaid Installment, as follows:

(i) The Bank will first determine the amount of interest which would have accrued each month for the Prepaid Installment had it remained outstanding until the applicable Original Payment Date, using the Interest Rate.

(ii) The Bank will then subtract from each monthly interest amount determined in (i), above, the amount of interest which would accrue for that Prepaid Installment if it were reinvested from the date of prepayment or redemption through the Original Payment Date, using the Treasury Rate.

(iii) If (i) minus (ii) for the Prepaid Installment is greater than zero, the Bank will discount the monthly differences to the date of prepayment or redemption by the Treasury Rate. The Bank will then add together all of the discounted monthly differences for the Prepaid Installment.

For purposes of this section:

(i) "Original Payment Dates" mean the dates on which the prepaid or redeemed principal installments would have been paid if there had been no prepayment or redemption. [If any of the principal installments would have been paid later than the end of the fixed rate interest period in effect at the time of prepayment or redemption, then the Original Payment Date for that amount will be the last day of the interest period.]

(ii) "Prepaid Installment" means the amount of the prepaid or redeemed principal installment which would have been paid on a single Original Payment Date.

(iii) "Treasury Rate" means the yield on the Treasury Constant Maturity Series with maturity equal to the Original Payment Date of the Prepaid Installment which are principal payments (calculated as of the date of prepayment in accordance with accepted financial practice and rounded to the nearest quarter-year), as reported in Federal Reserve Statistical Release H.15, Selected Interest Rates of the Board of Governors of the Federal Reserve System, or any successor publication. If no principal installment maturity date exactly corresponding to such Original Payment Date appears in Release H.15, the Treasury Rate will be determined by linear interpolation between the yields reported in Release H.15. If for any reason Release H.15 is no longer published, the Bank shall select a comparable publication to determine the Treasury Rate.

(b) On and after February __, 2016, FCRHA may prepay, in whole but not in part, the outstanding principal component of the Installment Payments as evidenced by the Note upon 10 (10) days' written notice without penalty or premium.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1 **Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received upon the earlier of actual receipt or five days after deposit in the United States certified mail (or other mail method providing written confirmation of receipt), postage prepaid, at the following addresses:

If to the FCRHA: Fairfax County Redevelopment Development and
Housing Authority
3700 Pender Drive, Fairfax, Virginia
Attention: Executive Director

With a copy thereof sent to:

Alan Weiss
Office of the County Attorney
12000 Government Center Parkway
Suite 549
Fairfax, Virginia 22035

With copies to the County at the two addresses set forth
below:

If to the County: County of Fairfax,
12000 Government Center Parkway
Fairfax, Virginia 22035,
Att: County Executive; and to such other party or
address(es) as the County may from time to time
designate by notice given to the Bank by registered or
certified mail as aforesaid.

With a copy thereof sent to:

Office of the County Attorney
12000 Government Center Parkway
Suite 549
Fairfax, Virginia 22035

If to the Bank:

FCRHA, the County and the Bank, by notice given hereunder, may designate different
addresses to which subsequent notices, certificates or other communications will be sent.

SECTION 9.2 **Amendments, Etc.** No amendment or waiver of any provision
of this Agreement nor consent to any departure by FCRHA or the County therefrom shall in
any event be effective unless the same shall be in writing and signed by the Bank. In the case
of any waiver, FCRHA, the County and the Bank shall be restored to their former positions
and rights hereunder, and any default or Event of Default waived shall be deemed to be cured
and not continuing; but no such waiver shall extend to any subsequent or other default or
Event of Default or impair any right consequent thereon.

SECTION 9.3 **No Fiduciary Relationship.** FCRHA and the County acknowledge and agree that their dealings with the Bank relate solely to the transactions occurring under this transaction and that in no event shall the Bank be considered to be a partner or joint venturer of FCRHA or the County. Also, the County represents and warrants that it has independently evaluated the transactions contemplated by this and has not relied upon, nor will it rely upon, the expertise, advice or other comments or statements of the Bank (including agents of the Bank), if any, in deciding to pursue such undertaking. As the County is experienced in financial affairs (or has sought professional advice (other than from the Bank)) concerning its financial affairs, in no event shall the Bank owe any fiduciary or similar obligations to it in connection with the subject transaction.

SECTION 9.4 **Successors and Assigns; Participations.**

(a) This Agreement is a continuing obligation and shall be binding upon the Bank, FCRHA and the County, and their respective successors, transferees and assigns, and shall inure to the benefit of and be enforceable by the Bank, FCRHA and the County, and their respective successors, transferees and assigns; provided, however, that FCRHA or the County may not assign all or any part of this Agreement or any Payment Agreement without the prior written consent of the Bank.

(b) The Bank may, without notice to or the consent of any party, sell, assign, grant participation interest in, or otherwise dispose of all or any portion of its rights hereunder (but not its obligation to make Advances hereunder) to one or more parties which are banks, other than banks with no United States office or United States or state license, provided that the Bank shall remain responsible for the performance of its obligations hereunder and FCRHA and the County shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations hereunder and under any Payment Agreement. The Bank shall promptly notify FCRHA and the County of any such sale, assignment or participation. FCRHA and the County shall accord full recognition to any such assignment, and all rights and remedies of the Bank in connection with the interest so assigned shall be as fully enforceable by such assignee as they were by the Bank before such assignment.

(c) In connection therewith, FCRHA and the County hereby authorize the Bank to disclose to any prospective or actual participants or transferees (each, a "Transferee") any and all financial information in the Bank's possession concerning the County which has been delivered to the Bank by or on behalf of the County pursuant to this Agreement or which has been delivered to the Bank by or on behalf of the County in connection with the Bank's credit evaluation of the County prior to becoming a party to this Agreement, provided that the proposed Transferee agrees to keep such information confidential.

SECTION 9.5 **Costs and Expenses.** Subject to Section 4.2 hereof, FCRHA agrees to pay on demand (a) all reasonable costs and expenses of the Bank (as set forth in the term sheet agreed to by the parties pursuant to which this Agreement was entered into) in connection with the review, execution, delivery and administration of this Agreement, and all other instruments and documents to be delivered under or in connection with this Agreement, and any waivers or supplements or amendments thereto, including the reasonable fees and

expenses of counsel, fees and expenses of accountants, and other professionals, and costs of property and lien searches; and (b) all reasonable costs and expenses of the Bank in connection with the enforcement of this Agreement, and all other instruments and documents to be delivered under or in connection with this Agreement, including the reasonable fees and expenses of counsel and the reasonable fees and expenses of accountants, and other professionals. Such costs and expenses shall include all costs and expenses (including the reasonable fees and expenses of counsel for the Bank) incurred in connection with: (A) the protection, exercise or enforcement of the Bank's rights with respect to this Agreement; and (B) the assertion, protection, exercise or enforcement of the Bank's rights in any proceeding under the United States Bankruptcy Code, including without limitation the preparation, filing and prosecution of (i) proofs of claim, (ii) motions for relief from the automatic stay, (iii) motions for adequate protection and (iv) complaints, answers and other pleadings in adversary proceedings by or against the Bank relating to this Agreement. Such costs and expenses also shall include the fees and expenses of counsel for the Bank in advising the Bank as to its rights and responsibilities under this Agreement or the Payment Agreement or in representing the Bank in any legal proceeding in which the County seeks to enforce payment by the Bank hereunder. The agreements in this Section shall survive the termination of this Agreement and repayment of the Advance.

SECTION 9.6 **Liability of Bank.** Neither the Bank nor any of its officers, directors, employees or representatives shall be liable or responsible for: (a) the use which may be made of the Advance; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the Bank against presentation of documents which do not comply with the terms hereof, including failure of any documents to bear any reference or adequate reference to this Agreement; (d) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign this Agreement, or the rights or benefits under this Agreement, or proceeds of the Advance, in whole or in part, which may prove to be invalid or ineffective for any reason; (e) errors, omissions, interruptions, losses or delays in transmission or delivery of any messages by mail, cable, telegraph, telex, telephone or otherwise; or (f) any other circumstances whatsoever in making or failing to make payment hereunder, except only that FCRHA and the County shall have a claim against the Bank, and the Bank shall be liable to FCRHA and the County, to the extent, but only to the extent, of any direct, as opposed to consequential, indirect or punitive damages suffered by FCRHA or the County which FCRHA or the County proves were caused by the Bank's willful misconduct or negligence in determining whether documents presented hereunder comply with the terms hereof. IN NO EVENT SHALL THE BANK EVER BE LIABLE FOR CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES, ANY RIGHT OR CLAIM THERETO BEING EXPRESSLY AND UNCONDITIONALLY WAIVED. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary; provided, however, that if the Bank shall receive written notification from FCRHA or the County that sufficiently identifies (in the opinion of the Bank) documents to be presented to the Bank which are not to be honored, the Bank agrees that it will not honor such documents.

SECTION 9.7 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of FCRHA, the County and the Bank and their respective successors and

assigns. Whenever in this Agreement either FCRHA, the County or the Bank is named or referred to, such reference shall be deemed to include the successors or assigns thereof and all the covenants and agreements in this Agreement contained by or on behalf of FCRHA, the County or the Bank shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 9.8 **Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.9 **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.10 **Entire Agreement.** This Agreement constitutes the entire agreement between the Bank, FCRHA and the County and the written and executed form of this Agreement and shall completely and fully supersede all prior undertakings and agreements, both written and oral, among FCRHA, the County and the Bank, executed in anticipation of this Agreement including, but not limited to, the terms of the Request for Proposal relating to this Agreement issued by the County on _____, 2014 and all addendums thereto (the “Request for Proposal”) and the Bank’s response to the Request for Proposal dated _____, 2014.

SECTION 9.11 **Applicable Law.** This Agreement shall be construed and governed in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, FCRHA, the County and the Bank have caused this Agreement to be executed in their respective names by their respective duly authorized officers as of the date first above written.

FCRHA:

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

[Seal]

By:

Name:

Title: Chairman

Attest:

Secretary

COUNTY:

**BOARD OF SUPERVISORS OF
FAIRFAX COUNTY, VIRGINIA**

By:

Name:

Title: County Executive

Attest:

Clerk of the Board

[Seal]

BANK OF AMERICA, N.A.

By:

Name:

Title:

EXHIBIT A

PAYMENT SCHEDULE

Loan Agreement: _____, 2015

Issuer: Fairfax County Redevelopment and Housing Authority

Loan Amount: \$[18,665,000] on [February __, 2015]

Interest is calculated and imposed on the unpaid balance of the Loan Amount, based on the payment schedule described herein. Subject to Section 4.2 of the Loan Agreement, the unpaid balance of the Loan Amount plus interest shall be repaid by FCRHA to Bank in annual payments principal payments beginning March 1, 2016, and continuing each March 1 until paid in full. Semi-annual interest payments accruing from [February __, 2015] and calculated on a 30/360 basis will be made beginning September 1, 2015, and continuing on each March 1 and September 1 thereafter, until paid in full.

Advance

Amount [\$18,665,000]

Rate _____%

Maturity Date 3/01/2018

Payment Number	Payment Date	Payment	Principal	Interest	Balance
	09/01/2015	\$		\$	
	03/01/2016		[\$2,500,000]		
	09/01/2016				
	03/01/2017		[2,500,000]		
	09/01/2017				
	03/01/2018		<u>[13,665,000]</u>		=
Totals		<u>\$0</u>	<u>[\$18,665,000]</u>	<u>\$0</u>	

EXHIBIT B

FORM OF NOTE

Date of Note: February __, 2015

Interest Rate: As set forth on Attachment A hereto

FOR VALUE RECEIVED, FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY ("FCRHA"), does hereby covenant and promise to pay to _____. (hereinafter with its successors or assigns being collectively termed the "Bank"), ON EACH INSTALLMENT PAYMENT DATE OR ON ANY PREPAYMENT DATE at its principal offices in Fairfax, Virginia, or at such other place or places as the Bank may designate to FCRHA in writing from time to time, in immediately available funds, each Installment Payment, evidencing a required principal payment and unpaid interest on outstanding principal installments as set forth in the Loan Agreement (as defined below). This Note is being issued pursuant to and is further subject to the terms of that certain Loan Agreement, dated as of ____, 2015, among the FCRHA, the County and the Bank (the "Loan Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement.

FCRHA promises to pay the Installment Payments on the dates and at the rates and times and in all cases in accordance with the Loan Agreement. All payments of principal and interest shall be made to the Bank in lawful money of the United States of America in immediately available funds.

NOTWITHSTANDING ANY PROVISION IN THE LOAN AGREEMENT TO THE CONTRARY, THE OBLIGATION OF FCRHA TO MAKE INSTALLMENT PAYMENTS AND ANY OTHER PAYMENTS REQUIRED UNDER THE LOAN AGREEMENT SHALL CONSTITUTE A LIMITED OBLIGATION PAYABLE SOLELY FROM CONTRIBUTIONS RECEIVED FROM THE COUNTY PURSUANT TO A PAYMENT AGREEMENT ENTERED INTO BETWEEN THE COUNTY AND FCRHA AND SHALL NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF FCRHA WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION OR AS OTHERWISE PROHIBITED BY THE VIRGINIA CONSTITUTION. FCRHA SHALL MAKE THE INSTALLMENT PAYMENTS AND ALL OTHER PAYMENTS REQUIRED UNDER THIS AGREEMENT SOLELY FROM AMOUNTS RECEIVED FROM COUNTY PAYMENTS RECEIVED FROM THE COUNTY PURSUANT TO THE PROVISIONS OF THE PAYMENT AGREEMENT. The obligation of the County to make the County Payments under the Payment Agreement is contingent upon the appropriation for the applicable fiscal year by the Board of Supervisors of the County of funds from which such County Payments can be made. The County shall not be liable for any County Payments which may be payable pursuant to the Payment Agreement unless and until such funds have been appropriated for payment and then only to the extent thereof. The Payment Agreement shall not constitute a pledge of the full faith

and credit of the County or a bond or debt of the County in violation of Section 10 of Article VII of the Constitution of the Commonwealth of Virginia.

Neither the commissioners of FCRHA nor any person executing this Note shall be liable personally on this Note by reason of the issuance thereof. The [County Payments] and the Note shall not be a debt of County, the Commonwealth or any political subdivision thereof (other than FCRHA) and neither the County, nor the Commonwealth or any political subdivision thereof (other than FCRHA) shall be liable thereon, nor in any event shall the County Payments or the Note be payable out of any funds or properties other than those of FCRHA, subject to Section 4.2 of the Loan Agreement. The County Payments and the Note shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

As provided in the Loan Agreement, this Note is subject to prepayment, in whole or in part. In case an Event of Default (as defined in the Loan Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared due and payable in the manner and with the effect provided in the Loan Agreement.

All notices and other communications provided for under this Note shall be delivered and be deemed delivered to the addresses specified above and in the manner provided in Section 9.1 of the Loan Agreement; or, as to each, at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section.

This Note may not be changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

All parties to this Note, whether FCRHA, principal, surety, guarantor or endorser, hereby waive valuation and appraisal, demand, presentment for payment, notice of dishonor, protest and notice of protest of this Note.

This Note shall be construed and enforced in accordance with the law of the Commonwealth of Virginia.

Signed and sealed as of [_____], 2015.

FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY

[Seal]

By: _____
Name:
Title: